Boardthink: Exploring the discourses and mind-sets of directors

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ABSTRACT: We note paradoxes in governance literature and practice concerning boards’ conflicting roles of monitoring/control, mentoring/stewardship and innovation/strategy-making. But there are few studies of directors’ mind-sets and interactions on which their paradox resolution, actions and decisions will be based. We explore 60 directors’ mind-sets concerning board governance by applying discourse analysis to interview transcripts. We identify and discuss directors’ various discourses, which we label discourses of conformance, of deliberation, of enterprise, and of bounded innovation. We note the homogeneity of discourses across different organization types, the dominance of conformance, the non-resolution of paradoxes, and the likely effect in inhibiting board strategy-making and contribution to innovation. We recommend attention by boards to their mind-sets and processes, and the development of generativity.

Keywords: Board Effectiveness; Board of Directors; Board Roles; Compliance; Leadership and Discourse; Strategic Leadership

INTRODUCTION

The literature on board governance has major lacunae. It is prescriptive rather than descriptive, stronger on what authorities think boards should think and do than on what boards and their members actually think and do. It makes clear the major roles that a board must typically perform, namely control (Fama & Jensen, 1983), stewardship (Westphal, 1999), and strategy (Hendry & Kiel, 2004), but has failed to get to grips with fundamental paradoxes and tensions between these roles. It studies the input-output effects of such variables as board size and composition, but has largely failed to penetrate the ‘black boxes’ of boardroom processes and board members’ thinking. It has been criticised for its failure to capture the dynamic, interactive nature of governance (Brennan & Kirwan, 2015). In response to this criticism, some scholars advocate greater attention to ‘how governance actors and institutions actually function’ (McNulty, Zattoni, & Douglas, 2013, p. 183). In this paper we seek to learn more about ‘real-life governance issues using data collected through a direct interaction with key governance actors’ as recommended by Zattoni, Douglas & Judge (2013, p. 119).
In this paper, we are interested in the roles that directors perceive and seek to enact for boards, as evidenced in their talk. These perceptions may however be heavily influenced by wider, particularly institutional, forces. What roles do legislation, professional bodies and academic theory attribute to boards?

A dominant influence is agency theory, which emphasizes the board’s role (as an ‘agent’ of shareholders and owners) in ensuring compliance with regulations, and in monitoring and controlling the organization’s managers against their possible incompetence or corruption (Fama & Jensen, 1983). This role underpins ‘institutional logics’ (Westphal & Zajac, 2013) of corporate law, board regulations and guidelines for best practice, and remains dominant in governance studies (McNulty, Zattoni & Douglas, 2013). In contrast, stewardship theory considers that managers are trustworthy (Donaldson and Preston, 1995), that their interests are aligned to those of the owners (Lane, Cannella & Lubatkin, 1998), and that the board should collaborate with, not control, managers (Westphal, 1999). Most recently, increasingly complex contexts and strategic decisions suggest that boards should have a greater role in the strategic direction of their organizations (Kerr & Werther, 2008), though little change in actual involvement is apparent (Stein, 2011).

**Paradoxes and tensions of board roles**

Such contrasting roles bring paradoxical tensions: acting on versus acting with management; controlling versus planning; short-term versus long-term; conservation versus enterprise. In the literature these paradoxes are noted with concern by theorists. Thus:

Perhaps the biggest obstacle to board engagement in strategy is the inherent tension in the board’s role. On the one hand, it must act as a trusted advisor to top management. On the other, it must be a vigilant monitor, perhaps even an adversary of management on occasion. In fact, it is this dual (and sometimes contradictory) role that discourages management from fully embracing the board as a partner in strategy formulation (Kerr & Werther, 2008, p. 115).

Paradoxes cause tension. Unless paradoxes are identified correctly and faced squarely they risk being managed by means of a focus on the most pressing immediate problem. This can lead to tunnel vision, generating vicious circles where each successive response intensifies the problem, thereby creating paralysis, stifling enterprise and limiting the potential for value creation (Aubert,
Kishore & Iriyama, 2015; Soltwisch, 2015). Understanding, embracing, and balancing paradoxes will facilitate organisational learning and adaptation (Sundaramurthy & Lewis, 2003).

What meanings do board members ascribe to their board governance roles and the paradoxes involved? Here, the concept of ‘mind-set’ is a useful one. A mind-set is a set of assumptions which is so established in people’s minds that it creates a powerful incentive within them to continue to adopt or accept prior choices (Blackburn, 1998). Mind-set influences the type of information people are attuned to, how they interpret this information, and their consequent actions (Gollwitzer, Heckhausen, and Steller, 1990). Shifts in mindset are increasingly seen as prerequisites for addressing fundamental change (Marshak & Grant, 2008). In the field of board governance such mind-sets, we believe, potentially determine, for example, how boards think, how they determine agendas, how they learn, what they spend time on, who they recruit, and, most importantly, how they make decisions and what decisions they make. What are the mind-sets of directors concerning board governance, and how do they affect their resolution of paradox, and their decisions and actions?

Unfortunately, possibly because of the reluctance by boards (citing privacy, commercial sensitivity, lack of time and the like) to allow researchers to observe their actual deliberations, the literature contains few observational studies of boards in action (Pugliese, Nicholson & Bezemer, 2015, is a notable exception) or of board members’ conceptualization of governance (an exception here is Pye, 2002) and therefore little if any empirical evidence on how they discharge of their roles and how they think about, and deal with, paradox. We sought empirical data to fill the latter gap.

**RESEARCH QUESTIONS AND PHILOSOPHY**

Our research questions are therefore,

‘What are the characteristic mind-sets of board members with regard to board governance?’ and

‘How do these mind-sets affect board members’ identification and resolution of the inherent paradoxes of board roles?’

To answer our questions we asked a substantial sample of board members to converse freely, in depth, based on their experience, about board governance. We used discourse analysis to dissect this material, and to look for communalities in it. Our interest was less in the discourse of individual
directors than in the shared discourses that might characterize ‘discursive communities’ (Swales, 1990) such as boards or the wider population of directors.

Our research is qualitative. We sought to articulate the authenticity of directors’ voices. Our audio-recorded interviews yielded everyday language, and ‘coal-face’ stories and impressions of board practice. The informal tone and frequently metaphorical imagery contrasted with the precise, legalistic terminology of formal governance, and may better reveal directors’ underlying attitudes and emotions.

Philosophically, we characterise this research as practice-orientated, abductive, discursive, mindset-focused and constructionist. In terms of practice orientation our empirical material was part of our preparation for a two-day interactive workshop attended by all the participants, enabling the key issues raised to be brought there for collective learning, thereby pursuing the co-production of knowledge and ‘actionability’ between researcher and practitioner (Van de Ven & Johnson, 2006; Bradbury, 2008). Our study was partly exploratory but we also sought to use the empirical material to test established theory (for example on agency theory and paradox) in order to provoke novel thinking (Alvesson & Kärreman, 2011). We noted how both ‘the world “out there”’ (Alvesson & Kärreman, 2007, p. 1267) and research itself are embedded in, and mediated through, language, hence our discursive orientation, focusing on macro patterns of meaning and systems of thought conveyed in participants’ discourse (Alvesson & Kärreman, 2011), and the ‘complexities of (often contradictory and indeterminate) meanings that provide the substance of organizational life’ (Mumby, 2011, p. 1150) across a ‘discourse community’ (Lemke, 1995: viii; Nystrand, 1982) such as the directors we studied. Rather than focusing on discourse-in-use, or interaction, we treated interviews are an appropriate site for mind-set exploration because they can be ‘cast as opportunities for reflexivity (i.e., self-conscious thought) and sense-making, the unpacking of which may lead to deeper relational meanings, collaborative learning, or opportunities for morally responsive action’ (Fairhurst & Uhl-Bein, 2013, p. 1053). We adopted a constructionist ontology that assumed that governance is continually given meaning by different groups and contexts that are influenced by wider cultural, political and social patterns of thought and action (Cooper & Burrell 1988), with relationships,
tensions and balances in boards’ roles negotiated amongst board members (Newton, Deetz & Reed, 2011).

**RESEARCH CONTEXT, DESIGN AND PARTICIPANTS**

Our data were collected from participants who were board members of organization based mainly in New Zealand and to some extent Australia. Our focus was ‘board governance’ including not just business corporations but other types such as state-owned enterprises and not-for-profits. Table 1 classifies the participating organizations by industry and ownership type.

| Insert Table 1 about here |

Our sample covered 35 organizations, in each of which we sought to interview the Board Chair and the CEO, who we assumed were key influencers and representatives of board members’ mind-sets. Not all Chairs were available, and in the end our sixty interviews involved 35 CEOs, and 25 Chairs from the same organizations.

Interviewers followed a semi-structured interview format using cue cards on which the words *leadership*, *governance*, *strategy*, *ethics* and *innovation*, respectively, were printed, one concept per card. At different stages interviewers placed the cards in front of participants to elicit stream-of-consciousness responses. As participants talked, interviewers shaped questions inviting them to extend and illustrate their thinking, thus encouraging multiple discourses.

The interviewers collected 84 hours of data (on average 1 hour, 23 minutes per interview) which were audio-recorded and transcribed. Interviews were anonymised and read separately by each of five researchers, who noted language, imagery, speech effects and syntactical constructions alongside the meaning and conceptual material. An independent content analysis of a random sample of the overall data revealed that 48% of the discourse content, i.e. 21 hours of interview time, was concerned with governance. This is the material we focus on in this paper.

In our analysis we paid attention both to participants’ word choice, sentence structure, syntax, and imagery, and to the broader patterns through which their which mind-sets toward governance
were demonstrated. First we searched for connected sets of statements, terms and concepts that represented a way of talking about governance. After the initial analysis we undertook a more intensive reading aimed at grouping the different fragments into common discourses shared by different participants. By applying this form of analysis we were able to discern and discuss the experiences directors reported, the roles they saw themselves as performing, and the dilemmas and challenges they faced, and to identify predominant and non-dominant discourses and mind-sets towards board governance. These discourses typically characterised the talk of not just one, but of many directors. But we also found similarities between discourses that enabled us to organize them into four main discourses that indicated important elements of mind-set.

RESULTS: THE DISCOURSES OF BOARD GOVERNANCE

Research Question: ‘What are the characteristic mind-sets of board members with regard to board governance?’

A remarkable feature of our data was that there seemed little difference between the types of organization we interviewed in (e.g. publicly listed company versus not-for-profit) in terms of the discourses we identified. This suggests that the phenomena of board mind-set these discourses represent may be universal, crossing organizational type boundaries and broadly characterizing the whole discursive community of board directors.

Our key results are presented in diagrammatic form in Figure 1.

Insert Figure 1 about here

Across the organizations we identified three predominant empirically-based discourses of governance, and titled them: conformance, deliberation, and enterprise. These discourses, represented the primary ‘structuring forces’ in this material, embodying directors’ mind-sets concerning corporate governance. In terms of their relative weighting in the data, the discourse of conformance represented the dominant discourse, with the discourse of deliberation figuring as the supporting discourse and the discourse of enterprise as the weakest discourse. A fourth discourse,
labelled *bounded innovation*, sat separately as an unintended consequence of relationships between the three broad discourses. Representative samples of all these discourses are provided in Tables 2-5.

**Dominant Discourse: Conformance**

For conformance - the pursuit of conformity, compliance and control – the directors’ talk was all about the board monitoring management. In this discourse governance is a ‘discipline’, a ‘responsibility’ and a tradition ‘as old as the hills’. The most common phrase in this data was ‘checks and balances’ applied to ‘issues’ and ‘decisions’. A subsidiary discourse casts the board as a *watchdog*, with the notion of surveillance conveyed by perceptual verbs such as ‘observe’, ‘look’, ‘watch’, and ‘probe down’. Thus, boards will ‘ensure that management knows that there are others who are watching what’s happening’. There was also much *border control* talk about ‘boundaries’ and ‘safety nets’, full of rules for management: ‘what you can do and can’t do’, sometimes with an almost parental kind of concern: ‘coax it back into line’. In such talk, governance is about guarding the terrain of the organization, and boundaries are critical delineators of being *in or out* behaviourally, cognitively, ethically and strategically. Conformance also has an operational aspect, the policing of policy, rules, regulations, requirements and expectations, making the board also an *inspectorate*: ‘ticking the ... boxes’ and ‘the guy who’s counting the tickets for the audience to come in’ with the outcome, relating planning to control, that ‘it equates to what we’ve booked’. Directors may dislike this work: ‘ticking the bloody boxes’, but it’s a necessity: ‘we all have to do it’.

**Supporting Discourse: Deliberation**

Deliberation (Table 3) involves a weightiness and thoughtfulness that characterises care and intention, so that the governance acts ‘for’ management and organization. But there are different
forms of deliberation. The board provides **mentoring support** to management as denoted by terms such as ‘support’, ‘guidance’, ‘be(ing) there for’ and being a ‘sounding board’ for the CEO but also ‘corporate mentoring to the whole organization’. Such support is positive: ‘inspiring’, ‘effective’.

Another mode of deliberation, the **debating forum**, is more detached, a conversation of collective endeavour ‘around the table’, ‘ongoing’, ‘distilled’, ‘consensus’, ‘together’ and ‘participative’, where the board talks ‘openly and frankly’ and tries to work with ‘different points of view’ leading to ‘good understanding’ and ‘a decision point’. A third, harsher type of deliberation, reminiscent of the discourses of conformance and here termed **investigative committee**, centres on practices of ‘querying’, ‘challenging’ and even ‘testing’, with extremes present in ‘stress test’, ‘crash test’ and ‘destruct’, if need be relentlessly: ‘it’s their God-given role in life to actually stress-test everything’ on the ‘crash test dummies’ of management.

**Minority Discourse: Enterprise**

The discourse of enterprise reflects the idea of governance as leadership - being creative and pursuing the novel and strategic. The board is seen as a **strategy unit**, but this is presented not as a reality but as an image of what governance might ideally be like. In this discourse there are references to the board’s contribution to strategy but a constant sense of never dealing with strategy sufficiently: ‘Some of the boards ... spend more time on some of those governance issues than they do thinking about the strategic direction’. Strategy is seen as difficult, nebulous and unfamiliar: ‘so hard it gets done poorly. And what instead they (do) stuff they’re more comfortable with, which is management’.

In a different take, which we deem **council of elders**, the board is detached: a groups of ‘elders’ removed from the immediacy of ‘the battlefield’, who can ‘sit back’, stay ‘well away’, consider ‘distant horizons’ and ‘beyond the surface’ thinking, and look ahead to ‘where is the organization in 10, or 15, or 20 years’, beyond the everyday concerns of management and beyond what is visible (‘presentation’) to the sense-making underneath (‘what underpins’). The ‘enterprise’ talk also
includes the notion of the board as a leader, or rather, a **leadership team.** Here, governance and leadership are the antithesis of each other: ‘it almost feels like it’s completely opposite’, ‘governance is the boring bit; leadership is the fun bit’, different but complementary, but with leadership seen as a superior position, developing ‘landscapes’ and ‘frameworks’ and being ‘king’. Leadership is ‘bolder’, ‘bigger’, ‘fun’ and governance is ‘normal’, ‘incremental’ and ‘boring’; leadership has been eroded (‘boards have been overtaken by the same sorts of things .... that paralysed our leadership’) and at threat from the emphasis on compliance and ‘ticking the boxes’. All of these images are again idealised and deferred (not possible yet).

**Minority Discourse: Bounded Innovation**

The concluding quotations embody a discourse about innovation that is an unintended consequence of the relationships between the three discourses of conformance, deliberation and enterprise. Table 5 contains some representative quotes

| Insert Table 5 about here |

*Bounded Innovation* refers to an oppositional stance to innovation and can be seen as an unintended (‘I’m sure it is not intended that way’) consequence of other discourses. Talk of governance and innovation is complex, paradoxical and unresolved. When innovation is juxtaposed against the conformance discourse the latter is dominant (**our governance structure, and the association that we have around it at the moment would be stifling the crap out of innovation**) and indeed the juxtaposition may be seen as an oxymoron (**I think [innovative governance] is almost a contradiction in terms**). Participants question how governance could be innovative (**how they’ve got time to think about strategic and innovative ideas when they must be just trying to get through this meeting**), or acknowledge, model or support innovation (**I think it would be worth understanding what governance structures have enabled what innovation**).
Research Question: ‘How do these mind-sets affect board members’ identification and resolution of the inherent paradoxes of board roles?’

The discourses, and therefore the mind-sets, interact with each other, causing conflicts and tensions. A significant issue is the dominance of the mind-set of conformance, and the tensions between it and the mind-set of enterprise. Although participants tended to see conformance as a routinized ‘chore’, it apparently compromised any potential role they might have in strategy, innovation or leadership: the paradox was recognized but apparently not resolved. The conformance discourse also colonised other mind-sets, for example when the ‘select committee’ discourse indicated another ‘crash-test’ to be conducted on management. It also appeared to reflect the normalization within governance of the key board objectives as strict adherence to regulation, control over management and the short-term welfare of shareholders, to the potential detriment of the performance modes of strategy and innovation, and the long-term goal of value creation. Whereas managers faced with creative challenges default from leadership to management (Carroll & Levy, 2008), directors apparently default from strategy to conformance. Patterns in which risk aversion and protection of the status quo predominate may provide both a stabilising and a stultifying influence, paradox creating paralysis, and the potential of directors to contribute to strategy, innovation and leadership being wasted.

Knowing the causes of such paradoxes going unresolved might help us to find solutions. Our findings unfortunately do not enable us to identify causes with certainty, but we were struck with the way the conformance discourse echoed, albeit in colloquial language, the institutional logics that frame policy and practice in board governance, and that are in essence expressions of agency theory.

Board mind-sets have perhaps been perpetuated over time, passed on from institutions to boards and from board members to their colleagues and successors, in a process that solidifies a static format for both discourse and decision making, may limit practices of appointment and development of directors that favour control over creativity, and therefore may ‘hard-wire’ these mind-sets into boards in complex environments where a wider diversity of perspectives is needed. Corporate governance architecture, we suggest, being essentially unchanged since the beginning of the industrial
revolution (Kiel and Nicholson, 2003), has not evolved sufficiently to fully support new, more innovative, mind-sets.

**LIMITATIONS AND APPLICABILITY**

Our study has limitations. First, it was confined to Australasian organizations, though systems and codes of governance similar to those of Australia and essentially based on agency theory, are standard in the USA and UK and are internationally influential. Second, we did not go inside the ‘black box’ of the boardroom and its interactions, so that with these remain largely unstudied, though we believe our foray into the other ‘black box’ of directors’ minds and experiences was worthwhile in its own right. Third, the breadth of our sample was both an advantage and a disadvantage. Our method ‘diluted’ business organizations with not-for-profits and other types: yet, as previously mentioned, we did not notice any inter-type differences, nor did our participants, many of whom held multiple directorships in contrasted types of organization, indicate any. This suggests that our findings may apply to various types of organization, with the key paradoxes we identify being potentially universal.

**RECOMMENDATIONS**

We believe our study has implications for both academic research and governance practice. The lacuna that stimulated our research – lack of ‘black box’ studies – should not exist. Academics should precede pontificating on what board members should think and how boards should work with research on what members do think and how boards do work. Our findings raise questions for other researchers. Can our finding that board members' discourses of conformance tend to limit and stifle those of enterprise be replicated in other jurisdictions using other methodologies? Do different types of board (e.g. private enterprise versus public sector), or different types of director (e.g. external versus internal), generate different types of discourse?

Further studies of both directors’ attitudes and board processes are needed, particularly studies such as that of Pugliese et al (2015) that penetrate the "inner sanctum" of the boardroom and study discourses in action.
Boards likewise need to ask basic questions about what their roles are, how well they currently
discharge them, and what they can do to improve. More specifically, they need to find ways, perhaps
with expert assistance, of

- listening to their own discourse, and discussing their own mind-sets and processes,
- defining their roles,
- learning to resolve paradoxes by acknowledging and discussing them and by shifting
  consciously between roles,
- valuing their own human capital and its potential to contribute to strategy and
  innovation,
- being open to filling appointments with creative new directors,
- working more collaboratively with the executive team.

One way of facilitating and embracing all the above suggestions might be to develop, in boards,
the useful concept of generativity (Chait, Ryan & Taylor, 2004), which emphasizes modes rather than
tasks of governance. Chait et al. identify three governance modes: the fiduciary mode (concerned with
stewardship, conformance and control), the strategic mode (concerned with working collaboratively
with management to develop strategy) and the generative mode (concerned with leading through
problem framing, sense-making and confronting challenges by means of different perspectives). A
generative process in board meetings and other interactions would change the mind-sets, including the
shared mind-sets, of team members. Dialogic creation is a generative process that brings about the
gradual construction of something new through group dialogue in which status differences are
neutralized and learning is emphasized. Such a process can contribute to development of new
resources and opportunities, leading to virtuous cycles of transformation (Carmeli, Jones & Binyamin,
2015). As a board does more work in the generative mode value creation may increase (Chait at al.,
2004). But thinking does not make it so: the discourses revealed in our data indicate major obstacles of
mind-set that must first be overcome.

CONCLUSION
Wisdom from over two thousand years ago (paraphrasing Plato) cautioned that ‘What is honoured is cultivated and that which is not honoured is neglected’. Directors, and those responsible for directors’ appointments and development, need to reflect seriously on what they honour, because if they do not it is the honouring of conformance over deliberation and enterprise that will continue to be cultivated. Leading the organization by reframing, re-orientating and balancing the conformance discourse and mind-set with the deliberative and enterprise mind-sets, and using the generative mode to create and champion a vibrant environment for strategy-making and innovation will, we believe, enable boards to make the strategic contribution that creates real stakeholder value.
Table 1. Participant Company Industry Divisions and Ownership Type

<table>
<thead>
<tr>
<th>Industry Division</th>
<th>Frequency</th>
<th>Ownership Type</th>
<th>Frequency</th>
</tr>
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<tbody>
<tr>
<td>Administrative and support services</td>
<td>1</td>
<td>Crown Entity</td>
<td>3</td>
</tr>
<tr>
<td>Arts and recreation services</td>
<td>1</td>
<td>Local Government</td>
<td>1</td>
</tr>
<tr>
<td>Education and training</td>
<td>2</td>
<td>Not-for-profit</td>
<td>5</td>
</tr>
<tr>
<td>Electricity, gas, water and waste services</td>
<td>2</td>
<td>Private</td>
<td>6</td>
</tr>
<tr>
<td>Financial and insurance services</td>
<td>2</td>
<td>Private Partnership</td>
<td>3</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>1</td>
<td>Publicly Listed</td>
<td>15</td>
</tr>
<tr>
<td>Information media and telecommunications</td>
<td>2</td>
<td>State-Owned Enterprise</td>
<td>2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td></td>
<td></td>
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<tr>
<td>Other services</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional, scientific and technical services</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public administration and safety</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental, hiring and real estate services</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail trade</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport, postal and warehousing</td>
<td>2</td>
<td></td>
<td></td>
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<tr>
<td>Wholesale trade</td>
<td>2</td>
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<td>N=35</td>
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<td>N=35</td>
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Figure 1. Discourses of Board Governance

- **Conformance**
  - Watchdog
  - Border Control
  - Inspectorate

- **Deliberation**
  - Mentoring Support
  - Investigative Committee
  - Debating Forum

- **Enterprise**
  - Strategy Unit
  - Council of Elders
  - Leadership Team

- **Bounded Innovation**
TABLE 2
Discourses of Conformance

<table>
<thead>
<tr>
<th>Watchdog</th>
<th>Border Control</th>
<th>Inspectorate</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Governance tends to have more of a type of watchdog element. It’s the check and balance that you’re doing the right things. That would be kind of a down and dirty definition.”</td>
<td>“It’s control and it’s boundaries. It’s what you can and can’t do.”</td>
<td>“If you wanted one word, it’s monitoring.”</td>
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<tr>
<td>“Governance is a discipline that you put over the business in terms of making sure that the right issues and decisions come to the level where the right heads and minds can actually observe and look at it and be aware of it.”</td>
<td>“If it looks like it’s going off the rails for any particular reason, or it’s “correctionally” wrong, unfair or inappropriate – it’s the ability to either coax it back into line or if necessarily bring it back into line.”</td>
<td>“The governance is monitoring the ethics of the organization.”</td>
</tr>
<tr>
<td>“And that’s why a board which has a governance responsibility shouldn’t become the manager but it should be able to, if it’s smart enough, to probe down into management and even though it doesn’t make decisions its enquiries, its interest, will all ensure that management knows that there are others who are watching what’s happening. And are frankly normally not happy with what’s happening so that’s why they’re enquiring.”</td>
<td>“I think it’s about setting boundaries, but it’s also setting freedoms as well.”</td>
<td>“To me governance, and this is my personal view, leadership is king, governance is the safety net to make sure that you are ticking the boxes and things are done in a way which is appropriate.”</td>
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<tr>
<td>“To me, governance is basically as old as the hills. It’s about checks and balances on power.”</td>
<td>“The governance piece is saying ‘okay, here’s the boundary – you can’t cross.’”</td>
<td>“I just sort of sense that the governance guy in this example is the guy who’s counting the tickets for the audience to come in and watch the orchestra. He’s accounting for x number of people. He’s got 3000 tickets in his hand and it equates to what we’ve booked – perfect. That to me is governance. We all have to do it.”</td>
</tr>
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<td></td>
<td>“I do see that constant expression that governances is the notion of the moderation of the unbridled drive of the management team.”</td>
<td>“And it’s almost like boards have been consumed or taken over by that so your audit and risk committee stuff, you know, it’s all clipboards and testing and it’s almost like the board and the CEO are on different teams.”</td>
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<td></td>
<td>“For me, it was putting it in the frame of actually- part of creating the garden is creating the boundary. And making sure that the boundary is firm, because that actually keeps everybody within the garden – now I’m back to my safety net. That’s a safety net that I think you have to have. So there’s other safety nets I can play with, but that one I can’t play with.”</td>
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TABLE 3
Discourses of Deliberation

<table>
<thead>
<tr>
<th>Mentoring Support</th>
<th>Debating Forum</th>
<th>Investigative Committee</th>
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<tbody>
<tr>
<td>“It’s more the mentoring type aspects of leadership. So you’re using that experience to make sure the organization is on track and has the ability to be the most effective leader.”</td>
<td>“My idea of governance used to be about ensuring compliance and a bit about strategy, setting strategy. But I think governance is also part of an ongoing conversation where there’s an opportunity to talk openly and frankly and disagree, or move from a model where I wanted everyone to agree to one that was, one which is, it’s not random but it allows a whole lot of disparate views to be distilled.”</td>
<td>“It’s querying and questioning the direction of the business. It’s hard to get away from trite statements and concepts, but it is more about how well the organization is and how well it’s performing.”</td>
</tr>
<tr>
<td>“So, if I look at the concept of governance, it’s a question of providing guidance, mentoring – not one on one but corporate mentoring to the whole organization.”</td>
<td>“I think they should be inspiring guiders.”</td>
<td>“I guess, in summary, the governance responsibility is to have a wider view – an overview to test, but not to destruct.”</td>
</tr>
<tr>
<td>“I think they should be inspiring guiders.”</td>
<td>“Framework, guidance, mentoring, challenging, inquiring, testing and being satisfied – this is where we’re going to end up.”</td>
<td>“Quite often you find some directors who feel it’s their god-given role in life to actually stress-test everything. They turn management into crash-test dummies.”</td>
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<td>“To be there, as a mentor – one of the things that people don’t if they haven’t been a CEO, they don’t realize how lonely that job is. The CEO gets pressure from the senior management team, from the Board, and has nowhere to run. Who does he talk to?”</td>
<td>“It’s basically where different points of view around the table, given the subject matter, and is enough debate for consensus where those are brought together in a manner that is probably a 1+1=5 situation. So you have to have different views based on experience, leadership and skill. A good debate is where you come away with more knowledge, or more thought around a given subject.”</td>
<td>“Yeah and making sure that I’m thinking about these issues. And challenge us, making sure we’re innovative. Making sure we’re thinking of those issues. Making sure we’re moving ahead. So it is their experience coming forward in us and sort-of combined challenge coming through.”</td>
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<td>“To provide guidance to be a sounding board.”</td>
<td>“So I actually celebrate differences, I actually want people to say something different so I can get a debate going. And encourage everybody to participate in that, and debate the issue so that we feel that when we’ve got to a decision point, that we’ve got good understanding.”</td>
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### TABLE 4

**Discourses of Enterprise**

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<th>Strategy Unit</th>
<th>Council of Elders</th>
<th>Leadership Team</th>
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<td>“The business of having to sit down and actually think hard about clarity of strategy, prioritising, thinking at a higher level than some manageable bit of trivia – that’s so hard it gets done, on the whole, poorly. And what instead they want to do is stuff they’re more comfortable with, which is management, and often the kind of stuff that exercises in this is stuff that’s well below the level of things I would normally deal with.”</td>
<td>“The governance is well away from the battlefield, or it’s removed from it. So, whether it’s a council of elders …. it’s like back before the battle is ‘how do we get into the war?’ ‘What do we want to achieve in the war?’ ‘How are we going to know whether it’s absolutely surrender or trying to get a piece of territory?’ How broadly are we going to pay for this war?’ That to me is the analogy around governance.”</td>
<td>“So for me, if I look at where I see leadership going… where I see leadership going in the future, it almost feels like it’s completely opposite from where governance is.”</td>
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<td>“Making sure management are thinking about sensitivities, the risks about the strategic plan. And sort of so it’s not just rubber stamping.”</td>
<td>“Because then all you’ve got is seven or eight people who are collectively thinking about how to make the business grow and thrive.”</td>
<td>“Governance is the boring bit; leadership is the fun bit.”</td>
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<td>“Some of the boards which I’m on, which I’ve seen, spend more time on some of those governance issues than they do thinking about the strategic direction. And what I’m saying, well why are we here/ are we here to just sort of tick the boxes that management are doing this, this, and this? Or should we be making sure we’re here because we want to increase our surrounding?”</td>
<td>“It’s more distant horizons in thinking about where that’s going.”</td>
<td>“I just see governance at one end of the leadership spectrum and management at the other and leadership right around the whole, well actually they’re all inside the leadership bubble.”</td>
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<td>“Over governance, they’d sit back and say well where is the organization in 10, or 15, or 20 years down the track.”</td>
<td>“So the leadership within governance is often understanding the landscape of what might be happening.”</td>
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<td>“What is the role of governance? I see it as actually looking beyond presentation to what underpins? …. It’s looking beyond the surface – is there substance behind it?”</td>
<td>“But it seems to me that boards have been overtaken by the same sorts of things I was talking about that paralysed our leadership – which is all those management over-focused, details and compliance type management issues.”</td>
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<td>“To me governance, and this is my personal view, leadership is king, governance is the safety net to make sure that you are ticking the boxes and things are done in a way which is appropriate.”</td>
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“I think it would be worth understanding what governance structures have enabled what innovation. I can tell you now – you’ve asked me to be pretty brutally honest – I would say that our governance structure, and the association that we have around it at the moment would be stifling the crap out of innovation. However, I’m sure it’s not intended that way.”

“Sometimes I worry ... how they’ve got time to think about strategic and innovative ideas when they must be just trying to get through this meeting and go off to the next meeting. ... [Has] time actually been given to the strategic direction of the organisation in an innovative way?”

“No, governance isn’t to create ideas. It’s to create the environment that allows ideas. There’s a distinction between management and governance.”

“I think [innovative governance] is almost a contradiction in terms, you know? Innovative leadership, again well maybe.”
REFERENCES


